

8863-K

42A740-S24

Department of Revenue

**2008**

► Attach to Form 740 or Form 740-NP.

**KENTUCKY
EDUCATION TUITION TAX CREDIT**

Enter name(s) as shown on Form 740 or Form 740-NP, page 1.

Your Social Security Number

If you have a credit carry forward from previous years, see Page 2, Part V.

Caution: You **cannot** take the 2008 Kentucky Education Tuition Tax Credit if you are not eligible for the Federal Education Credits.**PART I—Qualifications**

	Yes	No
• Are any expenses claimed in Part I or Part II of federal Form 8863 from an eligible educational institution located within the Commonwealth of Kentucky (Kentucky institution)?		
• Are any of the expenses claimed on federal Form 8863 for undergraduate studies?		
• Is your Kentucky filing status single; married filing separately on a combined return; or married filing a joint return?		

If you answered "No" to any of these questions above, **STOP** you do not qualify for this credit.

If you answered "Yes" to all questions above, go to Part II.

PART II—Hope Credit (List only expenses from Kentucky institutions.) See Instructions

1.	(a) Student Name	(b) Student SSN	(c) Name and Address of Kentucky Institution	(d) Qualified Expenses	(e) Tentative Hope Credit (See Federal Instructions)
2. Tentative Hope Credit. Add amounts on line 1, column (e) and enter here					2

PART III—Lifetime Learning Credit (List only expenses for undergraduate studies at Kentucky institutions.) See Instructions

3.	(a) Student Name	(b) Student SSN	(c) Name and Address of Kentucky Institution	(d) Qualified Expenses (See Federal Instructions)
4. Add the amounts on line 3, column (d) and enter total here.....				4
5. Enter the smaller of line 4 or \$10,000				5
6. Tentative Lifetime Learning Credit. Multiply line 5 by 20% (.20), enter here.....				6

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Note: If you have an unused credit from prior year(s), complete Page 2, Part V to determine your carryforward amount. You must have completed Form 8863-K in prior years to claim any allowable unused credit carryforward.

PART IV—Allowable Education Credits

7. Tentative Federal Education Credits. Add lines 2 and 6	7
8. Enter decimal amount from federal Form 8863, line 12.....	8
Note: You cannot take this credit if you were forced to stop on line 10 of federal Form 8863. If federal Form 8863, line 12, is blank, skip line 8 and enter amount from line 7 on line 9 and continue to line 10.	
9. Multiply line 7 by the decimal amount on line 8 and enter here.....	9
10. Multiply amount on line 9 by 25% (.25) and enter total here	10
11. Enter tentative tax from Form 740 or Form 740-NP, page 1, line 22	11
12. Enter amount from Page 2, Part V, line 27. If Page 2, Part V, line 27 is blank, enter -0-.....	12
13. Subtract line 12 from line 11	13
14. Enter the smaller of line 13 or line 10	14
15. Add lines 12 and 14. Enter here and on Form 740 or Form 740-NP, line 23. This is your allowable 2008 education credit.....	15
16. If line 13 is smaller than line 10, subtract line 13 from line 10. This is the amount of unused credit carryforward from 2008 to 2009 . Enter here and on Page 2, 2008 Carryforward Worksheet, Line D	16



PART V—Credit Carryforward from Prior Years

17. Enter tentative tax from Form 740 or Form 740-NP, page 1, line 22	17	
18. Enter your credit carryforward from 2005	18	
19. Enter your credit carryforward from 2006	19	
20. Enter your credit carryforward from 2007	20	
21. Add lines 18, 19 and 20	21	
22. Enter 2005 credit carryforward to 2009. Subtract line 17 from line 18. If zero or less, enter -0- ..	22	
23. Subtract line 18 from line 17. If zero or less, enter -0-	23	
24. Enter 2006 credit carryforward to 2009. Subtract line 23 from line 19. If zero or less, enter -0-...	24	
25. Subtract line 19 from line 23. If zero or less, enter -0-	25	
26. Enter 2007 credit carryforward to 2009. Subtract line 25 from line 20. If zero or less, enter -0- ..	26	
27. Enter the smaller of line 17 or line 21	27	

2008 Carryforward Worksheet

- A. From Part V, Line 22, 2005 to 2009 _____
B. From Part V, Line 24, 2006 to 2009 _____
C. From Part V, Line 26, 2007 to 2009 _____
D. From Part IV, Line 16, 2008 to 2009 _____

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If you have a carryforward of credit, maintain a copy of this worksheet or Form 8863-K for your records. This information will be needed to prepare future returns.

Education Tuition Tax Credit—Instructions and Worksheet

Note: You cannot take a Kentucky Education Tuition Tax Credit if you are not eligible for the federal Hope or Lifetime Learning Credits.

Part I, Qualifications—All questions in Part I must be answered yes to be eligible for the Kentucky Education Tuition Tax Credit.

Part II, Hope Credit—You **must** enter student's name, Social Security number, name and address of Kentucky institution, qualified expenses and the tentative Hope Credit. Use the federal instructions to determine tentative credit. If more than two students, attach a list to Form 8863-K. Total tentative credits for all students on Line 2.

Part III, Lifetime Learning Credit—You **must** enter student's name, Social Security number, name and address of Kentucky institution and qualified expenses. Use federal instructions to determine qualified expenses. Total tentative expenses for all students on Line 4 and enter the smaller of Line 4 or \$10,000 on Line 5, then multiply that amount by 20% (.20) on Line 6.

Note: The **maximum federal Lifetime Learning Credit** is \$2,000 for all students **combined**. Line 6 cannot exceed \$2,000.

Part IV, Allowable Education Credits

Line 7— Add Lines 2 and 6 to determine tentative **federal** credits.

Line 8— Enter the decimal amount from federal Form 8863, Line 12. If that line is blank, skip Line 8 of this form and enter the amount from Line 7 on Line 9. **You cannot claim a Kentucky credit if you were forced to stop on Line 10 of federal Form 8863.**

Line 9— Multiply Line 7 by the decimal amount on Line 8, or enter the amount from Line 7 if Line 8 is blank.

Line 10— Multiply Line 9 by 25% (.25). This is your tentative Kentucky allowable credit.

Line 11— Enter the tentative tax from Form 740 or Form 740-NP, page 1, Line 22.

Line 12— Enter the amount from Page 2, Part V, Line 27. This is the allowable credit carryforward from prior year(s). If there is no carryforward, enter zero.

Line 13— Subtract Line 12 from Line 11.

Line 14— Enter the smaller of Line 13 or Line 10.

Line 15— Add Lines 12 and 14, **enter here and on Form 740 or Form 740-NP, , Line 23.** This is your allowable 2008 Kentucky education credit.

Line 16— If Line 13 is smaller than Line 10, subtract Line 13 from Line 10. This is the amount of unused credit carryforward from 2008 to 2009. **Maintain records for following years.**

Part V, Credit Carryforward from Prior Years—The Kentucky Education Tuition Tax Credit can be carried forward for up to 5 years if unused during the preceding tax year(s). You must have completed Form 8863-K for any prior year in which you are claiming a credit carryforward.